

STATE OF VERMONT
PUBLIC SERVICE BOARD

Petition to Amend Rule 5.409 on Cost Estimate)
Updates for § 248 Transmission Projects) Docket No. _____

PETITION FOR RULEMAKING

NOW COME VT Transco LLC and the Vermont Electric Power Company, Inc. (collectively referred to as “VELCO”) and petition the Public Service Board to initiate a rulemaking proceeding pursuant to 3 V.S.A. § 806 and PSB Rule 2.404 for the purpose of amending PSB Rule 5.409. In support of its request, VELCO states as follows:

1. VELCO is the owner and operator of the bulk electric transmission system in Vermont.
2. VELCO has a number of transmission system upgrade projects either currently under construction or in the regulatory process.
3. The estimated cost of a project subject to § 248 is an important consideration for the Department of Public Service and the Public Service board when deciding whether the project should receive regulatory approval.
4. PSB Rule 5.409 requires a company holding a § 248 Certificate of Public Good to notify the Board and interested parties when the capital costs for a project increase either 20% or \$25,000 over original estimates. The notice must contain a statement of reasons for the increase in estimated costs.
5. PSB Rule 5.409 does not define key terms or outline an acceptable cost estimate process. If the components and process for estimating costs of major transmission construction projects were consistent across projects and companies, the Board, the Department of Public Service, and other interested parties could compare estimates for many purposes,

including benchmarking, identifying trends for cost increases, and assessing the value of the project in terms of the public good.

6. Regulators and the public would be better served by a more standardized and transparent cost estimate update process than the process the current rule presently contemplates.

VELCO proposes that the Board amend PSB 5.409 to require regular updates of costs, no less than quarterly, using the terms and procedures described in the proposed rule amendment and other materials filed with this Petition.

WHEREFORE, VELCO respectfully requests that the Vermont Public Service Board:

- a) open a proceeding to consider amendments to PSB Rule 5.409;
- b) schedule a hearing or workshop at which VELCO can present to the Board, the Department of Public Service, and other interested parties VELCO's proposed changes to Rule 5.409;
- c) grant any other relief that the Board deems just and proper.

Dated at Rutland, Vermont this 25th day of February 2008.

VT TRANSCO LLC AND VERMONT ELECTRIC POWER CO., INC.



By: _____

Leslie A. Cadwell
VP, Chief Counsel & Corporate Secretary

cc: Attached service list